

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-B
Page 1

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: September 7, 1999

2.a. Outpatient Hospital Services

(1) Acute Care/General

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. The Title XIX (Medicaid) maximum was established utilizing 80% of the Blue Shield customary as reflected in their 10/90 publication.

For those procedures which Blue Shield did not have a comparable code, the rates were increased by 35%. The 35% represents the average overall increase for all services.

Effective for claims with dates of service on or after July 1, 1992, the Title XIX maximum rates were decreased by 20%.

(2) Pediatric Hospitals

Effective for claims with dates of service on or after April 1, 1992, outpatient hospital services provided at a pediatric hospital will be reimbursed based on reasonable costs with interim payments and a year-end cost settlement.

Arkansas Medicaid will use the lesser of the reasonable costs or customary charges to establish cost settlements. Except for graduate medical education costs and the gross receipts tax, the cost settlements will be calculated using the methods and standards used by the Medicare Program. The gross receipts tax is not an allowable cost. Graduate medical education costs are reimbursed based on Medicare cost rules in effect prior to the September 29, 1989, rule change.

(3) Arkansas State Operated Teaching Hospitals

Effective for cost reporting periods ending June 30, 2000 or after, outpatient hospital services provided at an Arkansas State Operated Teaching Hospital will be reimbursed based on reasonable costs with interim payments in accordance with 2.a.(1) and a year-end cost settlement.

Arkansas Medicaid will use the lesser of the reasonable costs or customary charges to establish cost settlements. Except for graduate medical education costs, the cost settlements will be calculated using the methods and standards used by the Medicare Program. Graduate medical education costs are reimbursed as described in Attachment 4.19-A, Page 8a for inpatient hospital services.

SUPERSEDES: TN - 92-28

STATE	Arkansas
DATE RECD	9-13-99
DATE APPVD	11-22-99
DATE EFF	9-7-99
HCFA 179	99-20
A	

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised:

September 1, 1999

2.a. Outpatient Hospital Services (continued)

(4) Augmentative Communication Device Evaluation

Effective for dates of service on or after September 1, 1999, reimbursement for an Augmentative Communication Device Evaluation is based on the lesser of the provider's actual charge for the service or the Title XIX (Medicaid) maximum. The XIX (Medicaid) maximum is based on the current hourly rate for both disciplines of therapy involved in the evaluation process. The Medicaid maximum for speech therapy is \$25.36 per (20 mins.) unit x's 3 units per date of service (DOS) and occupational therapy is \$18.22 per (15 mins.) unit x's 4 units per DOS equals a total of \$148.96 per hour. Two (2) hours per DOS is allowed. This would provide a maximum reimbursement rate per DOS of \$297.92.

STATE <u>Arkansas</u>	A
DATE REC'D <u>6-28-99</u>	
DATE APPV'D <u>9-17-99</u>	
DATE EFF <u>9-1-99</u>	
HCFA 179 <u>99-10</u>	

SUPERSEDES: NONE (NEW PAGE)

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Revised:

September 1, 1999

- 2.b. Rural Health Clinic Services and other ambulatory services that are covered under the plan and furnished by a rural health clinic.

Provider-Based

Reimbursed in the interim utilizing a cost-to-charge ratio with a year-end cost settlement. This cost-to-charge ratio and the cost settlement are calculated using the applicable Medicare principles of reimbursement found in 42 CFR 413 ff. Provider-based Rural Health Clinics are required to report their costs on the cost report of the parent provider, e.g., hospital. Provider-based Rural Health Clinics are reimbursed at 100% of reasonable costs.

Independent (Free Standing)

Reimbursed at an interim rate with a year-end cost settlement. The interim rate and cost settlement are calculated using the applicable Medicare principles of reimbursement found in 42 CFR 413 ff. Independent (free standing) Rural Health Clinics are required to report their costs on the HCFA 222 cost reporting forms. Independent (free standing) Rural Health Clinics are reimbursed at 100% of reasonable costs for rural health clinic services.

Ambulatory services and/or Medicare/Medicaid claims are not cost reimbursed. Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum. The State will pay the full amount of coinsurance and deductible for Medicare/Medicaid eligibles.

- 2.c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with section 4231 of the State Medicaid Manual (HCFA-Pub. 45-4).

Reimbursement will be based on the applicable Medicare principles of reimbursement found in 42 CFR 413 ff. FQHCs will be required to report their costs on the Form HCFA-242. FQHCs will be reimbursed at 100% of reasonable costs.

STATE	Arkansas
DATE	6-28-99
DATE	9-17-99
DATE	9-1-99
DATE	99-10

SUPERSEDES: TN - 96.01

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised: June 1, 1998

3. Laboratory and X-ray Services

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. The Title XIX (Medicaid) maximum is 66% of the Physician's Blue Shield Fee Schedule dated October 1, 1993.

At the beginning of each calendar year, the State Agency will negotiate with the affected provider group representatives to arrive at a mutually acceptable increase or decrease from the maximum rate. Market forces, such as private insurance rates, medical and general inflation figures, changes in practice costs and changes in program requirements, will be considered during the negotiation process. Any agreed upon increase or decrease will be implemented at the beginning of the following State Fiscal Year, July 1, with any appropriate State Plan changes.

(1) Clinical Laboratory Services

Reimbursement for clinical laboratory services will be equal to Medicare.

(2) Portable X-ray Services

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. The Title XIX (Medicaid) maximum is 66% of the Physician's Blue Shield Fee Schedule dated October 1, 1993.

At the beginning of each calendar year, the State Agency will negotiate with the affected provider group representatives to arrive at a mutually acceptable increase or decrease from the maximum rate. Market forces, such as private insurance rates, medical and general inflation figures, changes in practice costs and changes in program requirements, will be considered during the negotiation process. Any agreed upon increase or decrease will be implemented at the beginning of the following State Fiscal year, July 1, with any appropriate State Plan changes.

(3) Chiropractor X-ray Services

Effective for dates of service on or after June 1, 1998, the Arkansas Medicaid maximum for an X-ray will be calculated by using the average of the 1997 Medicare Physician's Fee Schedule (participating fee) rates at 100% for the complete components for procedure codes 72010, 72040, 72050, 72070, 72100 and 72110; or such procedure codes implemented by Medicare, as the AMA (or it's successor) shall declare are the replacements for, and successor's thereto. The average rate will be established as the Medicaid maximum for procedure code Z1928 (Chiropractic X-ray), or such procedure code implemented by Arkansas Medicaid for the purpose of billing a Chiropractic X-ray.

Effective for dates of service on or after July 1 of each year, Arkansas Medicaid will apply an adjustment factor to the Medicaid maximum. To determine the adjustment factor a comparison between the previous and current year's Medicare rates will be made. The adjustment factor will be equal to the average adjustment made to the Medicare payment rates, for all of the above CPT radiology procedure codes, as reflected in the current Medicare Physician's Fee Schedule.

SUPERSEDED BY 94-04

STA	Arkansas
DATE REC'D	May 24, 1998
DATE APV'D	August 26, 1998
DATE EFF	June 1, 1998
HCFA 179	98-10

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised: July 1, 1997

- 4.a. Nursing Facility Services (other than services in an institution for mental diseases) for individuals 21 Years of Age or Older - SEE ATTACHMENT 4.19-D
- 4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found.

- (1) Reimbursement for Child Health Services (EPSDT) is based on the lesser of the billed amount or the Title XIX (Medicaid) maximum.

<u>Procedure Code</u>	<u>Description</u>	<u>Rate</u>
83655	Lead Level - EPSDT	\$16.73 C* \$16.73 T*
Z0612	EPSDT Full Medical Screen	\$51.28
Z1638	EPSDT, a comprehensive health and developmental history (including assessment of physical development) (partial medical screen)	\$10.26
Z1639	EPSDT, a comprehensive health and developmental history (including assessment of mental health development) (partial medical screen)	\$10.26
Z1640	EPSDT, comprehensive unclothed physical exam (partial medical screen)	\$10.26
Z1644	EPSDT, health education (including anticipatory guidance) (partial medical screen)	\$10.26

Refer to Attachment 4.19-B, Item 5, for immunization procedure codes and rates.

Reimbursement for the partial medical screen applies to both the interperiodic and routine screens.

These codes represent the four medical components of the EPSDT medical screen.

00110	EPSDT, full dental screen	\$17.00
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*C - Complete Procedure

*T - Technical Component

STATE <u>Arkansas</u>	A
DATE RECD <u>5-6-97</u>	
DATE APPR <u>7-30-97</u>	
DATE EFF <u>7-1-97</u>	
HCFA 179 <u>97-02</u>	

SUPERSEDES: TN - 96-10

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: July 1, 1997

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found. (Continued)

(1) Reimbursement for Child Health Services (EPSDT) (Continued)

<u>Procedure Code</u>	<u>Description</u>	<u>Rate</u>
Z1636	EPSDT Full Vision Screen	\$12.80

The reimbursement rate was established by using 1/2 of the reimbursement rate for the vision analysis and diagnosis procedure.

Z1637	EPSDT Full Hearing Screen	\$10.93
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The reimbursement rate was established by using 1/2 of the reimbursement rate for the basic comprehensive audiometry.

Z1641	EPSDT/Interperiodic Full Dental Screen	\$14.40
Z1642	EPSDT/Interperiodic Full Visual Screen	\$12.80
Z1643	EPSDT/Interperiodic Full Hearing Screen	\$10.93
Z1652	EPSDT/Interperiodic Full Medical Screen	\$41.00

The interperiodic screens are equivalent to the routine screens. However, interperiodic screens may be provided outside the recommended age range and are in addition to the routine screens. The reimbursement rates for the interperiodic and routine screens are the same.

Z1209	Newborn Care/EPSDT medical screen in hospital including physical examination of baby and converences with parents - global fee	\$98.33
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The reimbursement rate is based on the physician fee schedule. Refer to Attachment 4.19-B, Page 2, Item 5.

99432	Newborn Care, in other than hospital setting, or birthing room setting, including physical examination of baby and conference(s) with parent(s)	\$65.00
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The reimbursement rate is based on the physician fee schedule. Refer to Attachment 4.19-B, Page 2, Item 5.

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DATE REC'D <u>5-6-97</u>	
DATE ADJ <u>7-30-97</u>	
DATE EFF <u>7-1-97</u>	
HCFA 179 <u>97-02</u>	

INTERSEDES: TN. 96-10

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised: September 1, 1990

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 years of Age
and Treatment of Conditions Found. (Continued)

- (2) **Apnea (Cardiorespiratory) Monitors** - Reimbursement is based on the lesser of the provider's actual charges for the service or the Title XIX (Medicaid) maximum. The Title XIX maximum is based on 10% of the lowest purchase price. This is a rental only item.

STATE	AR	A
DATE REC'D	7-31-90	
DATE APPV'D	8-6-90	
DATE EFF	9-1-90	
HCFA 179	90-40	

Supersedes 90-33

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised: March 1, 2000

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found. (Continued)

(3) Child Health Management Services

Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) charge allowed. The Title XIX (Medicaid) maximum was established utilizing 80% of the Blue Shield customary as reflected in their 10/90 publication.

For those procedures which Blue Shield did not have a comparable code, the rates were increased by 35%. The 35% represents the average overall increase for all services.

Some procedure codes are reimbursed from the Rehabilitative Services for Persons with Mental Illness (RSPMI) fee schedule. The fee schedule for RSPMI was calculated based on 1978 cost data. A 20 percent inflation factor was applied to arrive at the "fee schedule" rate. Effective for dates of service on or after July 1, 1991, the RSPMI fee schedule was increased by another 20 percent.

Effective for claims with dates of service on or after July 1, 1992, the Title XIX maximum rates were decreased by 20%.

Effective for claims with dates of service on or after October 1, 1994, the Title XIX (Medicaid) maximum rates are the same maximum rates that were in effect before the July 1, 1992 twenty percent reduction.

For CPT-4 procedure codes 90804, 90805, 90806 and 90807, the Title XIX (Medicaid) maximum was established utilizing the current Medicaid Physician Fee Schedule which is 66% of the Physician's Blue Shield Fee Schedule dated October 1, 1993.

Effective for dates of service on or after March 1, 2000, the CHMS cap will no longer be imposed for procedure codes 99211, 99212, Z1570, Z1571, Z1572 and Z1575.

STATE <u>Arkansas</u>	A
DATE REC'D <u>11/6/00</u>	
DATE APPROV'D <u>1/25/00</u>	
DATE EFF. <u>3/1/00</u>	
HCFA 179 <u>99-29</u>	

SUPERSEDES: TN - 99-28

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised:

September 1, 1999

- 4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and Treatment of Conditions Found. (Continued)

(3) Child Health Management Services (Continued)

Reimbursement for Child Health Management Services (CHMS) Nutrition Services is based on the lesser of the billed amount or the Title XIX (Medicaid) maximum allowed for each procedure. Nutritional services are billed on a per unit basis. One unit of service equals 30 minutes.

Effective for dates of service on or after September 1, 1999, the Arkansas Medicaid Program implemented coverage of nutritional services provided in the Child Health Management Services (CHMS) Program. The maximum rates are based on the entry level salary for a Dietician (Grade 19), Department of Human Services position. The cost categories include Salary (\$22,795), overhead and administration (\$2,276 ... using salary as the allocation base) and benefits (\$4,559 ... using salary as the allocation base). These costs were allocated at 10% for overhead/administration and 20% for benefits. A 30 minute visit will equal one unit of service. As such, the unit of service rate is \$7.12 ($\$22,795 + \$2,276 + \$4,559 = \$29,630 / 2080$ (52 weeks x 40 hours per week) = \$14.24 per hour.

STATE	<u>Arkansas</u>	A
DATE RECD	<u>6-1-99</u>	
DATE REVD	<u>8-13-99</u>	
DATE	<u>9-1-99</u>	
HCFA 129	<u>99-05</u>	

97-08

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
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Revised: July 1, 1993

4.b. Early and Periodic Screening and Diagnosis of Individuals Under 21 Years of Age and
Treatment of Conditions Found (Continued)

- (5) Private Duty Nursing Services for High Technology Non-Ventilator Dependent
Recipients

Refer to Attachment 4.19-B, Page 3, Item 8.

- (6) Cochlear Implants

Reimbursement for the cochlear device implantation procedure is made at the lower of
(a) the provider's actual charge for the service or (b) the allowable fee from the State's
physician fee schedule based on reasonable charge. Reimbursement for the cochlear
device is based on the cost of the device as indicated by the manufacturer.

STATE <u>Arkansas</u>	A
DATE REC'D <u>8-24-93</u>	
DATE APPV'D <u>9-2-93</u>	
DATE EFF <u>2-1-93</u>	
HCFA 179 <u>93-26</u>	

Superseded: TN 90-33